

**Request for Action  
by  
Board of Commissioners**

**Approval of Transfer of Physical Assets for Clocktower Apartments**

1. Summary of Issues

This Request for Action (“RFA”) is for approval of the transfer of the limited partnership interest in Clocktower Apartments (the “Development”), a 47-unit affordable housing development for families located at 246 Main Street in Burrillville.

Under RIHousing’s Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (as amended, the “TPA Regulations”), project owners must obtain RIHousing’s approval and comply with RIHousing’s administrative procedures for the transfer of physical assets and prepayment of the mortgage before conveying, assigning, or transferring any ownership interest in a multifamily housing project.

2. Discussion

The owner of the Development is Clocktower Associates, L.P. The current general partner of the Development is Harrisville Village Partners, Inc., a Rhode Island corporation that holds a 1.01% interest in the partnership. The Development was completed in 2009 using the Tax Credit Exchange Program; therefore, there is no low-income housing tax credit investor partner. There is, however, a federal historic tax credit partner seeking to exit the partnership. The current federal historic tax credit investor limited partner in the Development is Schneider Electric USA, Inc., a Delaware corporation which holds a 98.99% limited partnership interest (the “Transferor”). The Transferor intends to withdraw and transfer its partnership interest to the current general partner, Harrisville Village Partners, Inc. (the “Transferee”).

The Transferee will pay to the Transferor a purchase price equal to Fifty Thousand Dollars (\$50,000) (the “Purchase Price”). The Purchase Price will be offset by an equivalent amount held in escrow as part of the partnership agreement. The Transferee will assume all existing obligations encumbering the Development.

The current property manager is Maloney Properties Inc. No change in the management agent is contemplated.

3. Recommendation

The attached resolution approving the transfer of the limited partnership interest, subject to the conditions contained therein, is recommended for approval.

4. Attachment

A) Resolution

## **Attachment A**

### **Resolution of the Board of Commissioners of Rhode Island Housing Mortgage and Finance Corporation**

**Whereas,** under Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Rules Relative to Multifamily Loan Programs, Proposed Prepayments or Transfers, 825-RICR-30-00-3 (as amended from time to time, the “TPA Regulations”), project owners must obtain RIHousing’s approval and comply with RIHousing’s administrative procedures for the transfer of physical assets before conveying, assigning or transferring any ownership interest in a multifamily housing project;

**Whereas,** Clocktower Associates, L.P. seeks approval of the transfer of the limited partnership interest in Clocktower Associates, L.P., the owner of Clocktower Apartments (the “Development”), from Schneider Electric USA, Inc. to Harrisville Village Partners, Inc.; and

**Whereas,** staff has reviewed this request under the TPA Regulations and determined that the proposed transaction complies with the regulatory requirements.

NOW, THEREFORE, IT IS HEREBY:

**Resolved,** that the transfer of the limited partnership interest in the Development from Schneider Electric USA, Inc. to Harrisville Village Partners, Inc. be, and hereby is, approved, subject to the following terms and conditions:

1. Receipt by RIHousing of all application materials required in Phases 2 and 3 of the TPA Regulations (see §3.4 of the TPA Regulations) except for such requirements as may be waived or modified by the Executive Director, consistent with the nature of this transaction and protection of the interests of RIHousing;
2. Receipt by RIHousing of the Processing Fee, as defined in §3.4 of the TPA Regulations;
3. Satisfaction of any additional requirements that the Executive Director believes to be necessary or advisable to protect the interests of RIHousing with respect to the Development.

**Resolved,** that the Executive Director, Deputy Executive Director, and Director of Real Estate Development, each acting singly, are hereby empowered and directed to take any and all actions they deem necessary to carry out the foregoing resolutions.